



The market orientation–new product performance relationship: Redefining the moderating role of environmental conditions

David Gotteland ^{a,*}, Jean-Marie Boulé ^b

^a *Grenoble Ecole de Management, CERAG-UMR 5820 CNRS, BP 127, 38003 Grenoble Cedex 01, France*

^b *Grenoble Ecole de Management, Institut du Capital Client, Grenoble, France*

Abstract

Past studies concerning the impact of market orientation on the performance of new products do not necessarily conclude that it has an effect. To explain those seemingly contradictory results, some studies have dealt with the existence of moderating variables of the relationship. These studies focused essentially on the moderating role of the environmental conditions. Based on a survey of 142 product managers or sales directors, this article offers a new approach. Firstly, it completely models this moderating effect, providing a structured framework for future research. Secondly, thanks to the use of an original measurement scale, it apprehends objective environmental conditions. Thirdly, it details the market orientation–new product performance relationship, by modeling a new mediator, the instrumental use of available information, thus giving a clearer insight into how and where the moderating effect actually takes place.

© 2006 Elsevier B.V. All rights reserved.

Keywords: Market orientation; New product performance; Environmental conditions; Instrumental use of information

1. Introduction

Many studies have been conducted on market orientation, defined as the implementation of the marketing concept (Kohli & Jaworski, 1990). The role of market orientation as an antecedent of organization performance has been extensively investigated in various contexts (Deshpandé & Farley, 2004; Rodriguez Cano, Carrillat, & Jaramillo, 2004; Voss & Voss, 2000), however, studies concerning the market orientation–new product performance relationship are less common; despite the strategic importance and the high failure rates of new product introduction. Moreover, all studies do not lead to a conclusive link. For example, Subramanian and Gopalakrishna (2001) show an impact of market orientation on new product performance, whereas no significant link is found by Langerak, Hultink, and Robben (2004). These seemingly contradictory results have stimulated several studies concerned with the finding of moderators of the relationship (Atuahene-Gima, 1995; Baker & Sinkula, 1999; Gatignon & Xuereb, 1997; Slater & Narver, 1994). These have principally focused

on the moderating role of environmental conditions and the purpose of this article is to offer a new insight into this moderating role.

First, in order to provide a structured framework for research, it exhaustively models this moderating effect. It therefore uses the exhaustive conceptualization as suggested by Dess and Beard (1984) and refined by McArthur and Nystrom (1991) and Tan and Litschert (1994). Second, a new measurement scale is developed in order to model the moderating role of the objective environmental conditions, thus improving previous studies, which only measured its perceived conditions (Atuahene-Gima, 1995; Baker & Sinkula, 1999; Slater & Narver, 1994). This conceptualization leads to a better understanding of the moderating role of environmental conditions in the market orientation–new product performance relationship: the strength of the link does not depend on its perceived state but only on its objective state. Third, in this article, the market orientation–new product performance relationship is broadened through the modeling of a mediator, highlighting how and where the moderating effect actually takes place. The research therefore models a central variable in the relationship between a new product development team and its environment: the instrumental use of the information which defines this environment.

* Corresponding author. Tel.: +33 4 76 70 65 03; fax: +33 4 76 70 60 99.
E-mail address: david.gotteland@grenoble-em.com (D. Gotteland).

This article is organized as follows. First, the theoretical context of the study is presented. Second, the research methodology is discussed. Third, the findings and insights from our research are presented. Finally, potential research directions that emerge from the study are provided, as well as limitations of our research.

2. Theoretical context

2.1. What is market orientation?

The concept of market orientation was first defined by Kohli and Jaworski (1990) and Narver and Slater (1990). Two different approaches are favored: behavioral for the former and cultural for the latter. For Kohli and Jaworski (1990), market orientation is defined as “the organization-wide information generation and dissemination and appropriate response related to current and future customer needs and preferences” (p. 6). For Narver and Slater (1990), market orientation is defined as “the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business” (p. 21). They suggest that it leads to three organizational behaviors that consist in “acquiring information about the buyers and competitors in the target market and disseminating it throughout the business(es)” (p. 21). Market orientation is thus expressed by three behavioral components: customer orientation, competitor orientation and inter-functional coordination.

Studies on market orientation as a cultural feature have led researchers to broaden the concept to new behavioral patterns. A new component is thus suggested by Gatignon and Xuereb (1997): the technological orientation of a firm, defined as a “firm which uses its technical knowledge to build a new technical solution to answer and meet new needs of the users” (p. 78). Moreover, whereas Narver and Slater (1990) conceptualize interfunctional coordination as a constitutive element of the market orientation concept, Gatignon and Xuereb highlight its moderating role on the market orientation–new product performance relationship. By clearly distinguishing three main facets of the concept (i.e. customer, competitor and technological orientation), Gatignon and Xuereb (1997), pursued by Voss and Voss (2000), give a better understanding of its nature and refine its measurement. Finally, this conceptualization includes the different types of factors which affect the performance of a new product, by clearly focusing on customers, competitors and technology.

2.2. Market orientation and new product performance: which moderators?

Research on the moderators of the market orientation–new product performance relationship has mainly focused on the moderating role of environmental conditions (see Appendix A for a literature review). Following Starbuck (1976) and Aldrich (1979), environmental conditions have been divided by Dess and Beard (1984) into three dimensions: complexity, dynamism

and capacity. An exhaustive conceptualization of environmental conditions has thus been made available. However, these results have never been used as past research focuses on specific characteristics of environmental conditions. Moreover, even though this research deals with objective environmental conditions, measures of perception are used. Thus, the moderating role of perceived environmental conditions is studied, as opposed to the objective environmental conditions measured by Dess and Beard (1984) scale. Furthermore, even though decision-making can be influenced by the perception of environmental conditions, only objective factors can affect performance.

2.3. Which mediators of the market orientation–new product performance relationship?

Market orientation has been defined as a cultural characteristic of an organization (Narver & Slater, 1990), and not as actions to ensure new product performance. Without a clear understanding of the way a market-orientation culture is transformed into a superior performance of new products one cannot fully understand the market orientation–new product performance relationship (Han, Kim, & Srivastava, 1998). In order to understand how and where a moderator influences the relationship, it is essential to model mediators of this relationship.

Two types of mediating variables have been brought to light: first, the characteristics of the new product which include the degree of novelty and the level of the relative market advantage (Atuahene-Gima, 1995; Gatignon & Xuereb, 1997); second, the characteristics of its development process which include the degree of cooperation between departments during the development process (Atuahene-Gima, 1995), the degree of creativity in marketing programs (Im & Workman, 2004) and the intensity of development tasks (Langerak et al., 2004) (see Appendix A). These characteristics give a deeper understanding of the mechanisms involved in changing a market-orientated culture into new product performance. In this context, the purpose of this article is to model a new mediating variable typical of these processes: the use of available information about the environment. The repeated observation of a gap between the volume of available market research information and the volume of information actually used has led to conceptualize the use of marketing information (Deshpandé, 1982; Lee, Acito, & Day, 1987). The concept has since been extended to all marketing information (Low & Mohr, 2001).

Three types of use of this available information have been defined: instrumental use, conceptual use and symbolic use (Deshpandé & Zaltman, 1982; Low & Mohr, 2001; Maltz, Souder, & Kumar, 2001). Instrumental use was first defined as the direct application of market research information to solve a problem (Deshpandé & Zaltman, 1982, p. 54). Following Low and Mohr (2001), we do not limit marketing information to market research only. We thus define instrumental use of information as “the direct application of information to solve a specific problem or to make a particular decision” (Menon & Varadarajan, 1992, p. 54). Conceptual use of information refers

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات